Public Workshop for Proposed Amendments to Rule 1110.2



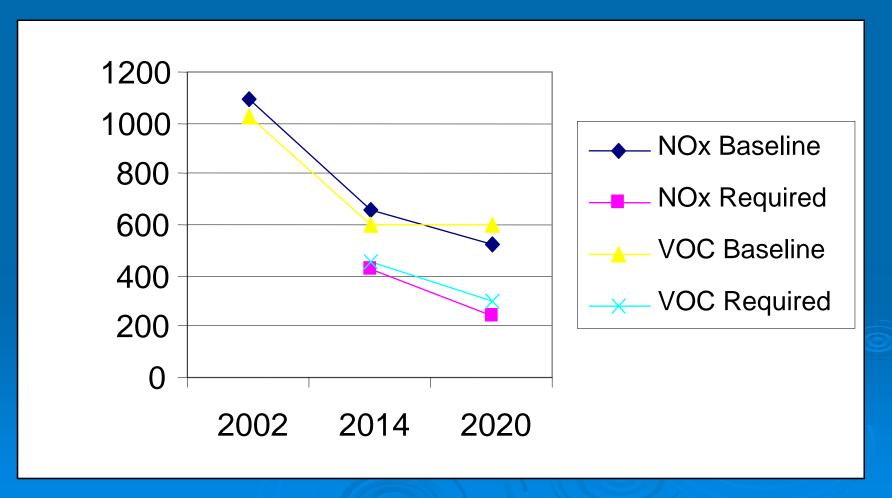
February 6, 2007
South Coast Air Quality
Management District

Overview of Goals

- Improve the monitoring, recordkeeping and reporting for better compliance
- Remove obsolete portable engine requirements
- Require new distributed generation (DG) engines to meet CARB 2007 DG standards
- Reduce emissions in accordance with 2007
 Air Quality Management Plan

Why are these amendments necessary?

Needed NOx and VOC Reductions from Draft 2007 AQMP



Draft 2007 AQMP

- Sufficient emissions reductions haven't been identified
- Control Measure #2007MCS-01 Facility Modernization
 - Will require facilities to retrofit or replace their equipment to achieve BACT emission levels
 - Super-compliant VOC materials

Engine Compliance Problems

- Unannounced emission tests of engines by AQMD
- 226 tests of old engines subject to Rule 1110.2 and new engines subject to more stringent BACT
- Engines driving compressors, pumps and electrical generators
- Engines by nine engine manufacturers or packagers

Compliance Statistics

	Rich-Burn Engines	Lean-Burn Engines
No. of Tests	215	11
No. of ICEs Tested	180	11
% of Tests on ICEs with BACT Limits	79%	91%
% Non-Compliance	51%	27%
% NOx Violations	40%	27%
% CO Violations	28%	0%

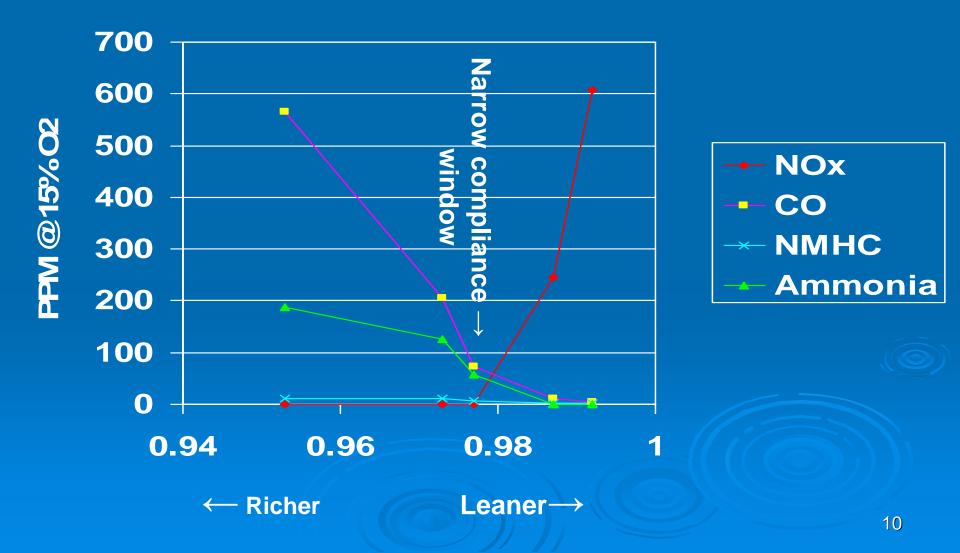
Emission Exceedances

	NOx	CO
Rule 1110.2 Limits, ppm*	36-45	2000
Typical BACT Limits, ppm*	11	70
Maximum Test Concentration, ppm*	850	12,500
Average Violation Concentration, ppm*	137	2,520
Maximum % Over Limit	7,430%	18,400%
Average % Over Limit	912%	1,830%
Tested Excess Emissions, Tons/Year	385	4,894

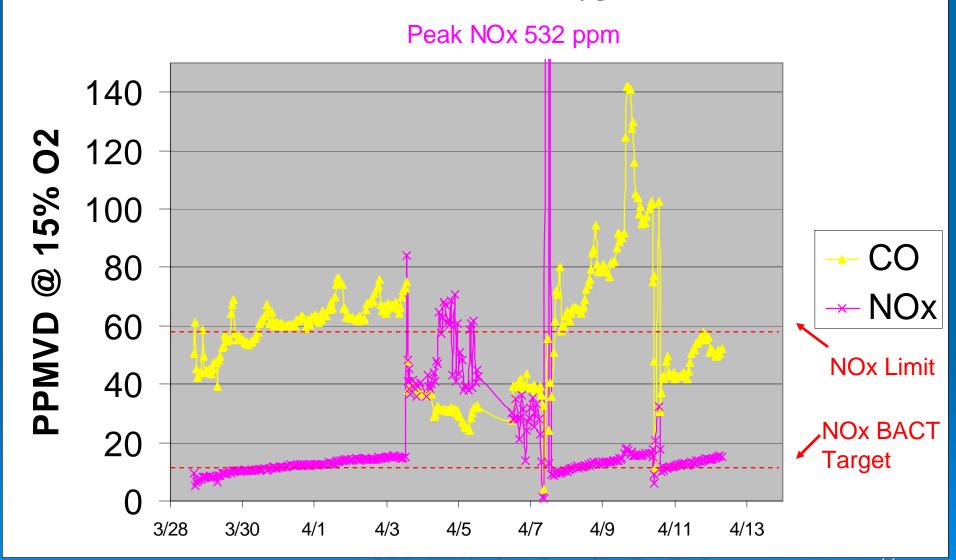
^{* @ 15%} O2

Why So Much Non-Compliance?

3-Way Catalyst Controlled Engine Emissions vs. Lambda



Stakeholders Demo Program - Emissions Data for a Modern AFRC with Dual Oxygen Sensors

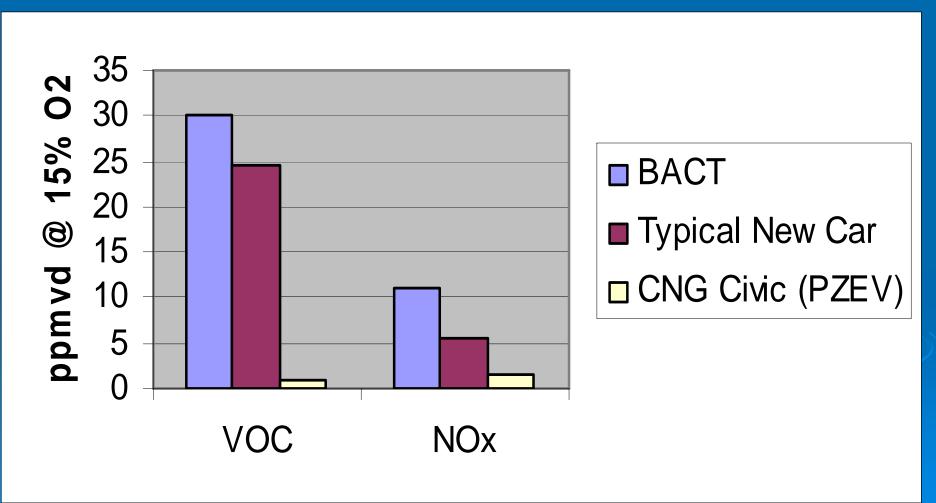


Industry Stakeholders Demo Program Conclusion

Current air-to-fuel ratio controllers do not keep engines in compliance, or detect non-compliance

Why Do Cars Have a Reputation for Low Emissions and Good Reliability?

Stationary Engine BACT Versus Vehicles



Comparison of Stationary and Automotive Engines

<u>Automotive</u>

- Engine with controls certified by engine manufacturer
- Fuel injector for each cylinder
- Sophisticated onboard diagnostics (OBD) requirements

Stationary

- Uncertified, with engine/catalyst/AFRC from different mfrs
- Carburetor for up to 8 cylinders in one bank
- > Minimal OBD

Comparison of Stationary and Automotive Engines

<u>Automotive</u>

- Upstream and downstream heatedO2 sensors (HEGO)
- AFRCs use dithering and dual HEGOs to measure oxygen storage capacity (OSC) and determine excess emissions

Stationary

- Often only an upstream, unheatedO2 sensor (EGO)
- No dithering. AFRCs try to maintain a fixed EGO set point. Can't measure OSC or determine excess emissions

Comparison of Stationary and Automotive Engines Automotive Stationary

- Wider air-to-fuel ratio (AFR) window with gasoline
- Honda CNG Civic Two specially-designed HEGOs:
 - One to counter lean shift from H2 in upstream exhaust
 - Another to counter rich shift from methane in downstream exhaust

- Narrower AFR window with natural gas
- Ordinary EGOs for gasoline engines

Rich-burn AFRC Conclusions

- Better AFRCs for stationary rich-burn engines are needed
- > The Future?



Affected Sources and Emission Inventory (Tons per Day)

About 940 stationary non-emergency engines

	NOx	VOC	CO
Emissions if engines were in compliance	3.29	1.47	11.2
Estimated Excess Emissions	1.29	5.40	21.7
Totals	4.58	6.87	32.9

What Amendments Are Proposed to Improve Compliance?

Proposed Amendments to Monitoring, Recordkeeping and Reporting

- Continuous Emission Monitoring
 - Put CO CEMS requirement back in rule (deleted by 1997 rule)
 - Require CEMS for engines with a combined rating of 1000 hp or more in one location (within 75 ft)
 - Time-sharing allowed for additional CEMS
 - Compliance with Rule 218

Proposed Amendments – Source Testing

- Increase frequency from every 3 years to every 2 years (or 8760 hrs operation).
- Multiple load tests
- No pre-test adjustment, no abort for noncompliance
- Submit protocol, give 30-day notice, submit results within 30 days
- Provide sampling facilities (Rule 217)

Proposed Amendments – Inspection and Monitoring (I&M) Plan

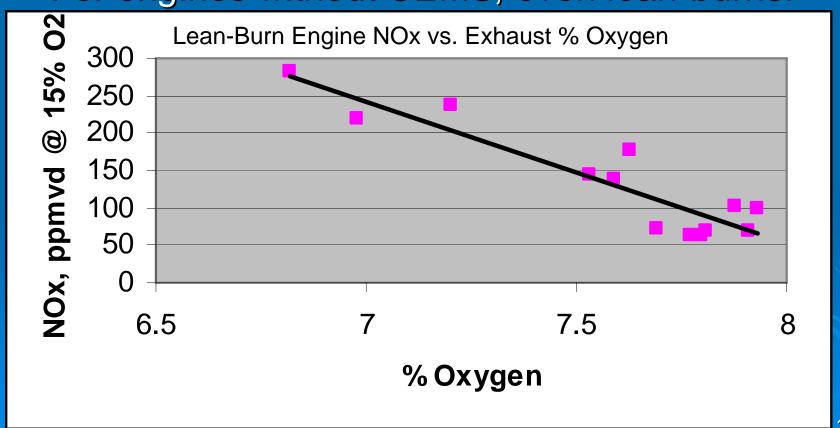
- I&M Plan required by CARB & EPA
- Required for engines with no CEMS
- Submit plan by 1/1/08; implement 5/1/08
- Determine parameter ranges for emission compliance over engine load range
 - O2 sensor voltage, Cat T's, reagent rate (if SCR)
 - initially and, for rich-burn engine, whenever O2 sensor changed

1&M Plan (cont.)

- Daily monitoring and recording of engine and control equipment parameters, faults and alarms
- Emission checks weekly (or 150 hrs) using portable analyzer
 - Monthly (or 750 hrs) if three successive weekly tests OK
- Preventative and corrective maintenance and schedules
- Portable Analyzer Training

Proposed Requirements — Air-to-Fuel Ratio Controllers (AFRC)

- AFRCs with O2 sensor and feedback control
- > For engines without CEMS, even lean-burns:



What Amendments Are Proposed to Lower Emission Limits?

Proposed Amendments to Requirements – Efficiency Correction

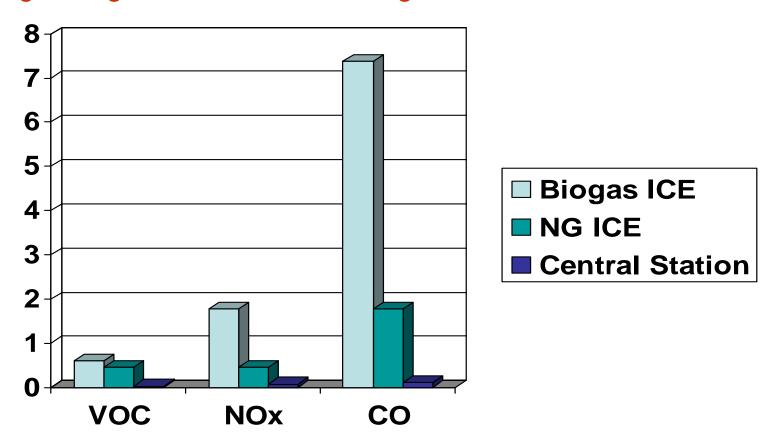
- Eliminate efficiency correction because it is difficult to determine, and often ignored.
- Unnecessary for three-way catalyst equipped engines (CARB BARCT is 25 ppm without efficiency correction)
- Excludes engines using at least 90% landfill or digester gas
 - Operator must demonstrate claimed efficiency using ASME test procedure

Proposed Amendments to Requirements – Future Reduction to BACT Levels

- Limits drop to 11 ppm NOx, 30 ppm VOC, 70 ppm CO at 15% O2:
 - Natural gas, diesel, field gas ≥500 hp 7/1/2010
 - Natural gas, diesel, field gas <500 hp 7/1/2011
 - Landfill or digester gas 7/1/2012

BACT for Biogas ICEs, Nat Gas ICEs vs. Central Generating Station BACT (Ibs/MW-hr)

Biogas engines emissions are high and need to be reduced.

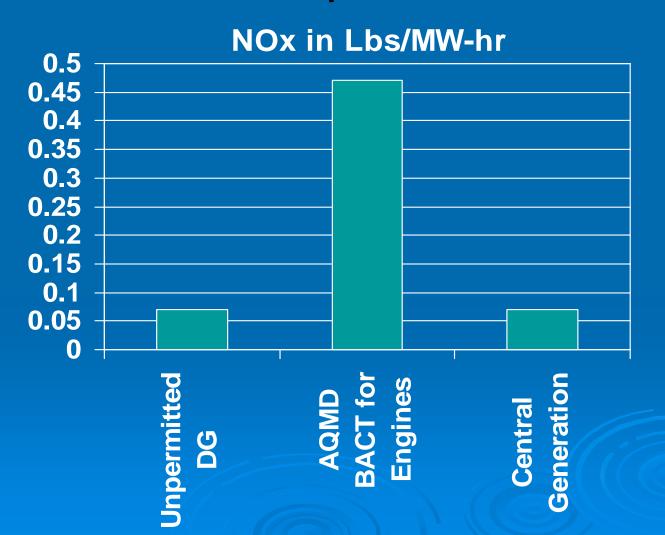


New Technologies to Reduce Biogas Engine Emissions

- Biogas cleanup to allow use of SCR and oxidation catalysts
- Non-catalytic NOx/VOC/CO controls: NOx Tech
- Biogas cleanup to make pipeline gas or natural gas vehicle fuel
- Microturbines, fuel cells, gas turbines, boilers

Distributed Generation

Electrical Generator Emissions Comparison



CARB 2007 DG Standards

	lb/MW-hr	Equivalent ppm @
		15% O2**
NOx	.07*	1.6-4.0
CO	0.1*	3.7-9.3
VOC	.02*	1.3-3.2

^{*}CHP credit of 1 MW-hr per 3.4 MMBtu of waste heat recovered

^{**} HHV efficiency range: 28%-70%

Proposed Amendments to Requirements – Distributed Generation

- New stationary, non-emergency generators must meet CARB 2007 standards (lb/MW-hr)
- Credit for waste heat utilization @ 1 MWhr per 3.4 MMBtu recovered and utilized
 - Net power production and waste heat utilization must be determined daily and reported annually.
- Does not apply to engines using at least 90% landfill or digester gas.

Other Amendments

Proposed Amendments - Exemptions

- Exempt start-up emissions until sufficiently warmed up, not to exceed 15 minutes
 - Additional CEMS startup data are welcomed
- Emergency Engines
 - Combine flood control and fire-fighting with other emergency uses
 - Limit to 200 hours/yr
 - Require limits on permits

Proposed Amendments to Requirements – Portable Engines

- Federal preemption of local emission standards
- Current rule exempts nonroad engines; includes portable engines
- Proposed Amendments:
 - Delete current emission limits
 - Reference CARB regulations for diesel and spark-ignited engines

Proposed Amendments - Recordkeeping and Reporting

- Recordkeeping of data, logs, test reports, actions and other information required by the rule
- Reporting of non-compliance within one hour of discovery
- Follow breakdown procedures of Rule 430

Proposed Amendments to Compliance Subdivision

- Removal of obsolete compliance dates
- Existing Engines
 - Add compliance schedules for new requirements
- > New Engines
 - Require compliance upon installation

Proposed Amendments to Definitions

- New definitions for "Net Electrical Energy" and "Useful Heat Recovered" to support DG emission standards
- New definitions for Oxides of Nitrogen" and "Rich-Burn Engine with a Three-Way Catalyst"

Compliance Options

- Operators will have several choices to comply:
- Retrofit emissions controls on existing engines, or
- Use cleaner technologies such as, fuel cells, microturbines, gas turbines or zeroemission electric motors
- Buy grid power

Cost Effectiveness

- Average Incremental Cost: \$5,840 per ton
- Range of Costs: \$15 to \$125,000 per ton
- More options for biogas to be evaluated
- Electrification Costs (\$/ton):

	Average	Incremental
Average	\$6,870	\$18,600
Range	\$2,800 - \$82,700	-\$109,000 - \$57,400

Process and Schedule

- > Written comments due: Feb 16, 2007
- > Set public hearing date: May 4, 2007
- ➤ Public Board hearing: June 1, 2007